

# Serving Bainbridge Island



City of Bainbridge Island  
Council Study Session  
April 19, 2016

# Today's conversation

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- How PSE serves Bainbridge

- ✓ Reliable power



- ✓ Clean energy



- Three questions for the community

# Kitsap Service team provides local response

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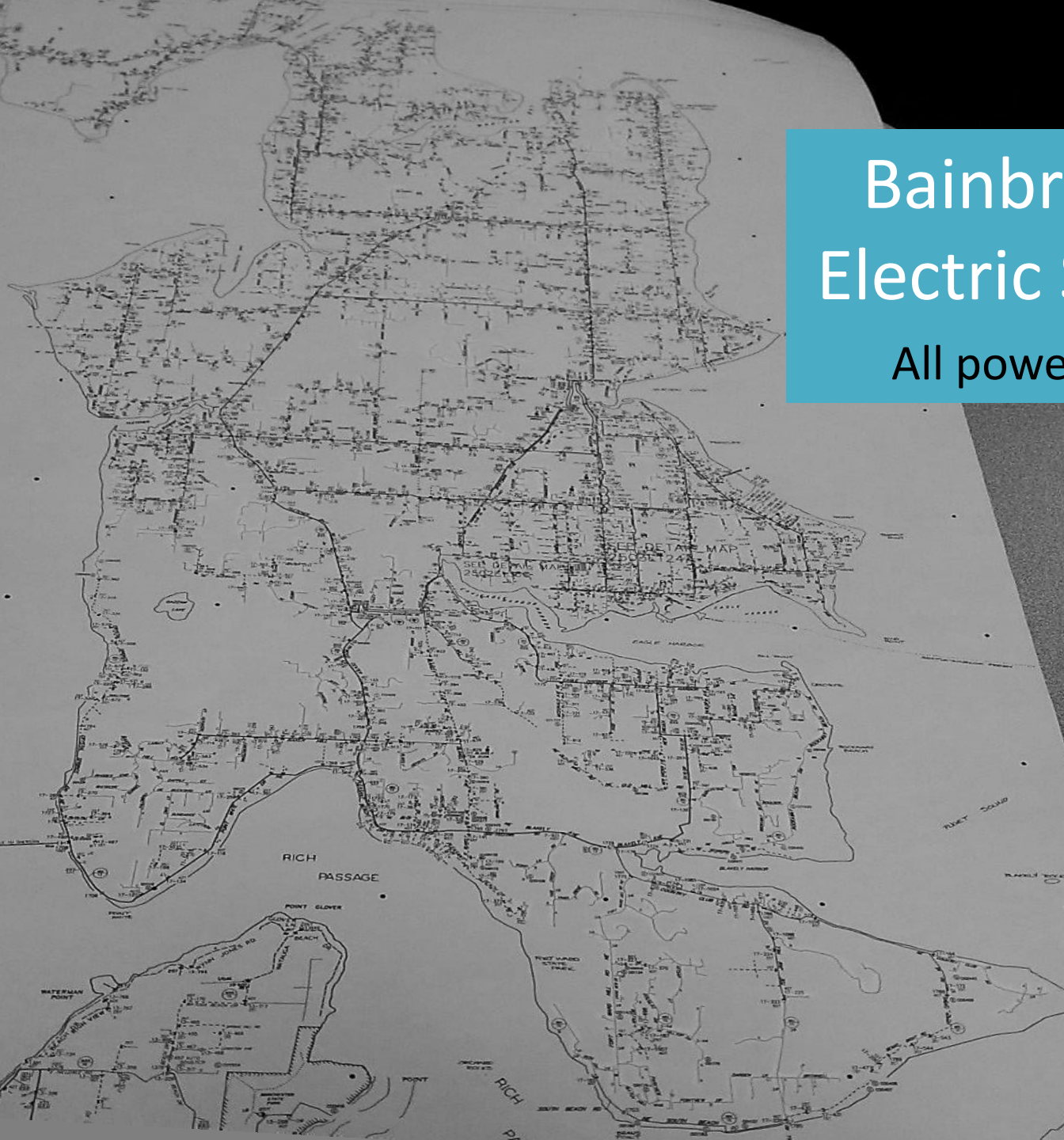
## Poulsbo Service Center

- 92 people (normal)
- 200+ people (storms)
- Engineers & system planners (PSE)
- Service crews (PSE)
- Substation crews (PSE)
- Line crews (Potelco)
- Tree crews (Asplundh)



# Bainbridge Island Electric Service Map

All power lines in **black**







# Bainbridge Island Electric Service Map

Underground lines in yellow  
(55% of all Island power lines)

## Local reliability projects (2010-16)

- Bainbridge 55% underground*



# A new transmission line would have prevented 7 major outages just since August 2015

## PSE Bainbridge Reliability Plan 2010

### Components

#### New substation

New transmission line connecting substations in a loop, providing both with two sources of power

Energy management, efficiency, conservation tools & programs

### Benefits

Adds 25 MW of capacity to meet capacity needs for 10–15 years, based on projected population growth

Increases transmission reliability

Enables deployment of automated switching and future incorporation of “smart grid” technologies

Greatest benefit to distribution reliability

New substation sites closer to the load center

New substation sites easily screened

### Drawbacks

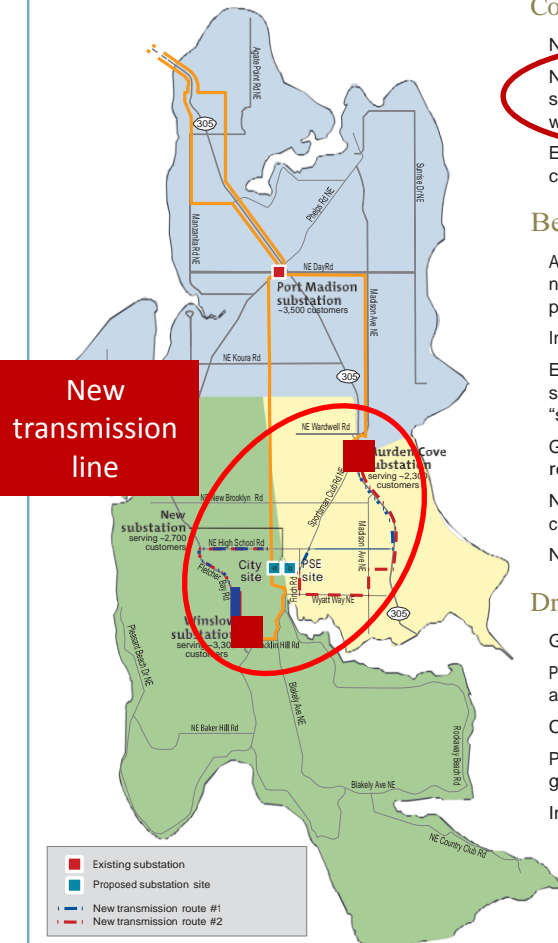
Greater impact to trees and vegetation

Potentially sensitive environmental areas on City-owned site

Challenging access on City-owned site

PSE-owned site more visible to the general public than the City-owned site

Impacts new property



“New transmission line connecting substations in a loop, providing both with two sources of power.”

*PSE Bainbridge Reliability Plan  
April 2010*

# PSE listened in 2010 when Bainbridge residents voiced concerns about a new power line

“PSE’s new transmission lines project will not address recent electricity outages on the island.”

*Letter to the Editor, Feb. 19, 2010*



New lines, substation not worth the risk | Letters | Feb. 19 - Bainbridge Island Review

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**LETTERS TO THE EDITOR**

**New lines, substation not worth the risk | Letters | Feb. 19**

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Feb 19, 2010 at 11:12AM

PSE's new transmission lines project will not address recent electricity outages on the island.

PSE has stated that its proposed construction of transmission lines and a new substation on Bainbridge Island would address reliability and capacity issues on Bainbridge. What does that mean exactly?

PSE proposes to build about four miles of transmission lines that will connect substations with two sources of transmission lines. It's great from an engineering point of view that such a transmission loop would give redundancy so if one transmission line goes out, there's another line providing power to the substation to prevent downtime.

Many residents are concerned with health and safety risks associated with the 24/7 EMF and electrosmog exposure to residents in proximity to any new transmission lines and substation. If PSE's new construction will make electricity outages less than recent history, then it may be worth the risk, you may think. Think again.

Heather Brinkey, PSE project manager for the proposed project, informed Robert Gex, island resident and RAISE member, that the last transmission outage on Bainbridge was in June 2007.

So, all the electricity outages we have experienced since then were due to inclement weather, i.e., wind, ice, snow and downed trees falling on distribution lines. So what would building a \$10 million transmission lines and substation do for our current electricity unreliability with downed distribution lines? Nothing.

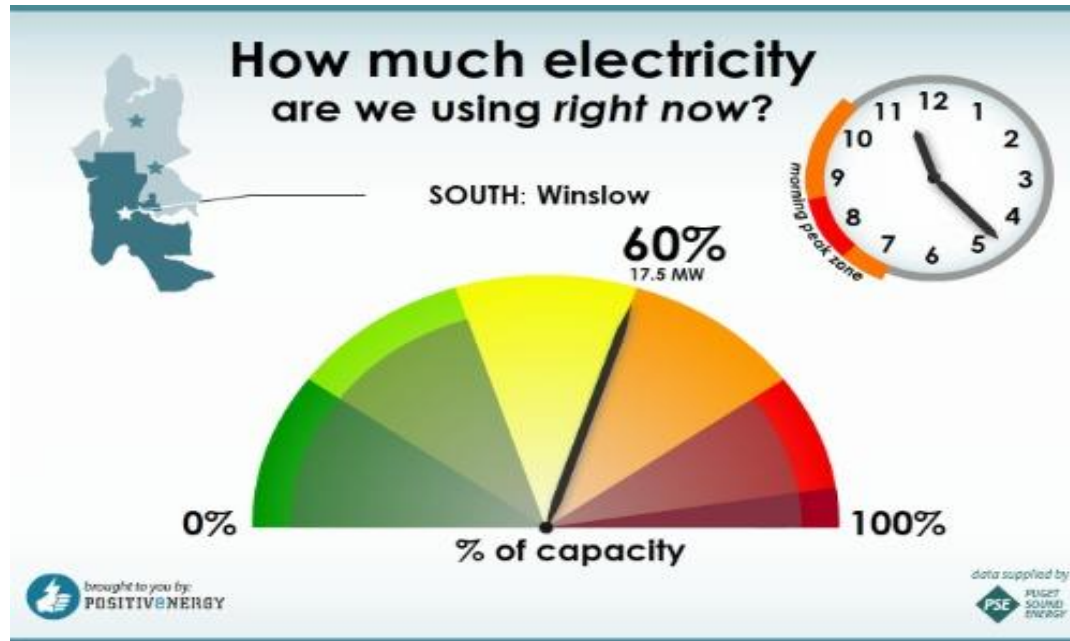
Vegetation management or trimming trees more often than PSE's routine one visit per six years would be a good start. Please learn more about the issue of electric reliability, please

[Read the Mar 4 Green Edition](#)  
Browse the print edition page by page, including stories and ads.  
[Browse the archives.](#)

<http://www.bainbridgereview.com/opinion/letters/94791657.html> [3/7/2016 12:06:01 PM]



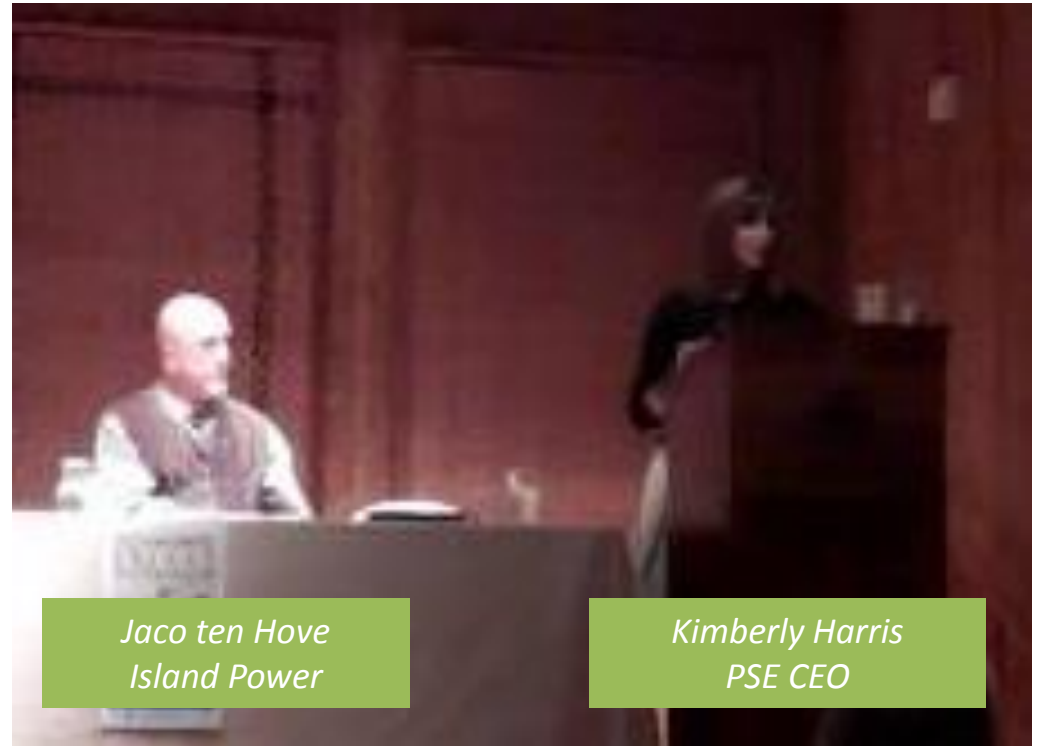
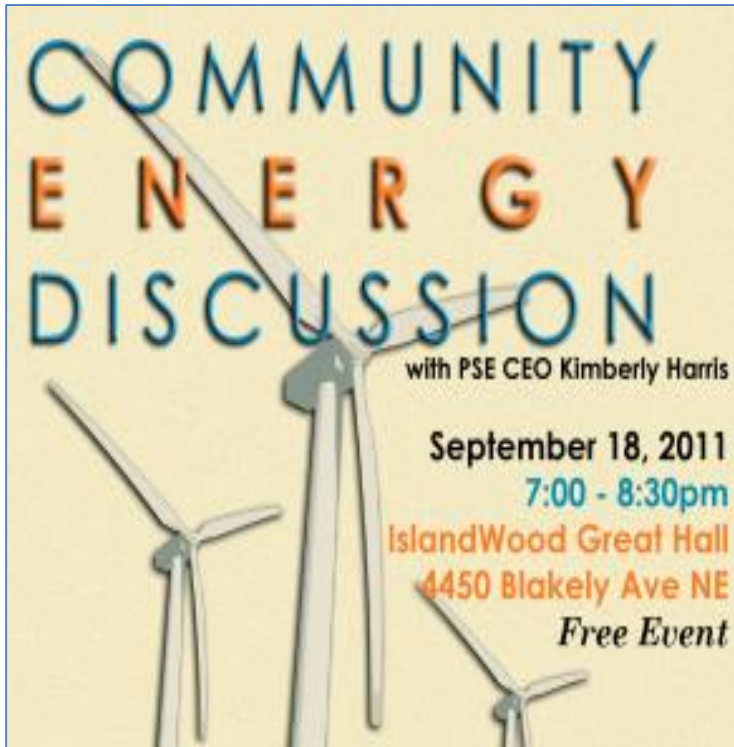
# PSE and Bainbridge partnered on new innovations in energy efficiency



- Island “Energy Meter”
- Partnership with RePower Bainbridge
- Home energy management pilot program

# When our Bainbridge customers said they didn't want coal power, we listened and took action

## Bainbridge Island Community Energy Discussion - 2011



Jaco ten Hove  
Island Power

Kimberly Harris  
PSE CEO

# Local leaders joined environmentalists in supporting PSE's 2016 coal transition plan

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## Coal legislation supporters:

- Gov. Jay Inslee
- Sen. Christine Rolfes
- Rep. Sherry Appleton
- Rep. Drew Hansen
- 92-5 state legislature passage



Colstrip Generating Station, MT

WCV

“Please thank Kimberly Harris, the President of PSE, for making the right call to help Washington transition off coal.”

- Washington Conservation Voters



“We are pleased to see there is now a clear process that will ensure protection for Washington consumers and eliminate the carbon pollution from these coal units.”

- The Sierra Club

# The City of Bainbridge is a green power leader

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- City of Bainbridge carbon-free with PSE Green Power
- 11% of Bainbridge customers participate in PSE Green Power
- Solar challenge grants
  - Sakai Intermediate School
  - Waterfront Park Community Center





# Bainbridge Island is a solar power leader

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- 182 PSE solar customers on Bainbridge Island
- \$443,000 incentives in 2015

- Incentive cut 75% for a Bainbridge-only utility
- State incentive based on utility's total energy sales

# Bainbridge and PSE can create new green choices together

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## EXISTING PSE PORTFOLIO

- All electric customers
- ~1.0 lbs. CO2 per kWh



## EXISTING GREEN POWER PROGRAM

- REC purchases
- 44,000 customers
- residential, business, municipal



## PROPOSED PREMIUM GREEN

Long-term partnership with PSE for dedicated energy resources



## CUSTOMER OWNED PROJECTS

- Active ownership & management by customer
- Distributed generation

# Three questions for the community

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## **1. What happened in Jefferson County?**

# Jefferson PUD: the only new utility in 60 years

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“Look what our neighbors at Jefferson PUD can say about public power. Wouldn’t it be great if we had this too?”

- IslandPower website





# The Jefferson feasibility study was a poor guide

	2008 Feasibility Study	2016 Reality Check
Startup costs	\$47.1m (\$27-66m)	\$115.5m
Electric bills	Up to 20% lower	No net savings 2013-'16
New jobs	67 new employees	33 employees
Customer experience	More reliable, better service	75% of PUD customers see no improvement
Green initiatives	Local renewables, more energy efficiency	Solar incentives cut, energy efficiency reduced
Feasibility Study costs	\$28,000	\$2.3m

# One year after starting service, key questions were still unanswered

Port Townsend Leader April 2014

Port Townsend & Jefferson County Leader

## PUD kicks off cost study

Rate issue to follow;  
Friends poised to push  
PUD for 'strategic plan'

By Allison Arthur of the Leader

How much is it costing Jefferson County Public Utility District to buy power, pay its debts, and serve its customers? And should some customers pay more – or less – for the power they receive?

Those are questions for which EES Consulting of Kirkland will crunch numbers in a \$58,460 study starting now and due this summer. Public hearings on any rate changes are to come in September and October before a 2015 budget is approved.

The PUD took the reins of the electric utility from Puget Sound Energy a year ago and has spent the first year in transition, hiring people, keeping the purchased system up and running. Now, officials say it's time to take a look at the true operational cost.

"We've got to figure out what it actually costs to run an electric utility," said PUD President Wayne King. "You can't run this like a business

discount for low-income, senior and disabled customers," said Burke. He questioned how other customers' rates would rise based on scenarios for a larger discount combined with determining how many people signed up for the discount.

Burke said neither of the top two proposals being considered did a stellar job on the topic of discounts, but the consultants that weren't chosen, FCS Group and Cuthbert Consulting, Inc. at least addressed this issue.

"I found no such content in the sample EES report," Burke said. "This is just a request for proposal" and Burke of

lion – as well as how much it pays for EPA power.

It also weighs the cost of delivering the power to customers – the cost of employees and equipment, for example.

There are serious policy decisions that are likely to be discussed in the coming months, including whether the base rate of \$7.49 a month is low and whether conservation programs need to be promoted and if so, how? As a government entity, the PUD is unable to replace the private power system's generous special-assistance programs.

Another issue that has risen is charging customers who have solar power systems net-metering – the PUD service crediting excess power generated by customers' solar systems, and reducing their monthly power bill.

PUD officials have questioned the cost of the extra meter reading each month for net-metering custom-

Jefferson PUD, announced in a press release March 28 that it plans to ask commissioners at the April 1 board meeting to develop and adopt a strategic plan.

"It is important that the PUD acts intentionally, rather than reacts as issues come up," stated Rick Jahnke, chairman of Friends of Jefferson County Public Power.

"The consultants that the PUD commissioners have contracted to prepare the rate study will ask the PUD commissioners what their electricity goals and objectives are, and to our knowledge none yet exist."

Jeff Randall, also a member of the group, said some objectives are common sense – stable rates, a reliable power source, environmental practices.

"Developing a strategic plan is a great way to engage the PUD's staff and the county's citizens in the process of owning and operating our publicly owned utility,"



Barney Burke



Wayne King

"We've got to figure out what it actually costs to run an electric utility."

Wayne King  
Jefferson County PUD

"We've got to figure out what it actually costs to run an electric utility."

Jefferson PUD Commissioner  
April 2, 2014

# Jefferson PUD example needs careful scrutiny

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Port Townsend Leader Feb. 2016

“We've got a mess here. We're still floundering.”

Jefferson PUD Commissioner  
*Feb. 10, 2016*

## PUD braces for 'findings' by state auditors

Manager: Public  
agency struggled after  
buying power system

By Allison Arthur of the Leader

The Jefferson County Public Utility District (PUD) is bracing for a second year of findings by the Washington State Auditor's Office.

A team of auditors has been at the PUD offices for the past two months looking at financial statements from 2013 and 2014.

“We're going to have several findings regardless, because we failed to file [financial statements] on time in 2013 and on time in 2014, so we'll have two findings, no matter what,” said PUD manager Jim Parker.

“And we'll probably have some findings for controls that were in

# Three questions for the community

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1. What happened in Jefferson County?
2. **What's your top priority?**



# What's your top priority?

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Growth  
Police  
Fire  
Roads  
Human services  
Electric utility  
Schools  
Water  
Sewer  
Sakai property  
Traffic  
Ferry service  
Dog park  
Arts



# Three questions for the community

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1. What happened in Jefferson County?
2. What are your local priorities?
3. **What can we do together?**

# PSE and Bainbridge: 2010-2016

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- \$21m in electric reliability projects
- More underground powerlines
- Increased tree-trimming
- Responding to storms with 200 Kitsap personnel
- Preparedness and safety training
- Transitioning from coal power
- 100% of City electricity carbon-free with Green Power
- Residential Green Power leadership
- RePower Bainbridge partnership
- \$2m in home energy efficiency grants and rebates
- \$1m in business energy efficiency grants and rebates
- \$443,000 in 2015 solar incentives
- Solar systems at Sakai Intermediate School and Waterfront Park Community Center
- PSE Foundation grant of \$50,000 for Island Church emergency shelter generator
- Sponsorship of more than two dozen arts, human services, education, parks, recreation and environmental organizations and events

# PSE wants to work with Bainbridge

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What can we do for reliable power?

What can we do for clean energy?

What can we do for the community?

